

**DIRECT TESTIMONY AND EXHIBITS OF**

**ANTHONY D. BRISENO**

**ON BEHALF OF**

**THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF**

**DOCKET NO. 2021-1-E**

**IN RE: ANNUAL REVIEW OF BASE RATES FOR FUEL COSTS OF**

**DUKE ENERGY PROGRESS, LLC**

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.**

**A.** My name is Anthony D. Briseno. My business address is 1401 Main Street, Suite 900, Columbia, South Carolina 29201. I am employed by the State of South Carolina as an Audit Manager for the Office of Regulatory Staff (“ORS”).

**Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

**A.** I received my Bachelor of Science in Business Administration in Accounting from Coastal Carolina University in August 2014. I received my Master of Accountancy Degree from Coastal Carolina University in August 2015. I also received a Graduate Certificate for completion of the Fraud Examination Program at Coastal Carolina University in August 2015. I began my employment as an Auditor with ORS in October 2016 and was promoted to Senior Auditor in August of 2019. In August of 2020 I was promoted to my current position as Audit Manager. I have participated in various cases involving the regulation of telecommunication companies, electric, gas, water and wastewater utilities.

**Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA (“COMMISSION”)?**

1     **A.**             Yes. I have previously testified before the Commission.

2     **Q.     WHAT IS THE MISSION OF THE OFFICE OF REGULATORY STAFF?**

3     **A.**             ORS represents the public interest as defined by the South Carolina General  
4     Assembly as:

5                     [T]he concerns of the using and consuming public with respect to public  
6                     utility services, regardless of the class of customer, and preservation of  
7                     continued investment in and maintenance of utility facilities so as to provide  
8                     reliable and high-quality utility services.

9     **Q.     WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS**  
10    **PROCEEDING AND HOW DOES YOUR DIRECT TESTIMONY REPRESENT**  
11    **THE PUBLIC INTEREST?**

12    **A.**             The purpose of my direct testimony is to present the results of ORS's examination  
13    of the books and records pertaining to Duke Energy Progress, LLC's ("DEP" or  
14    "Company") operations under the Fuel Adjustment Clause ("FAC"). The current fuel  
15    examination covered the period of March 2020 through February 2021 ("Actual Period").  
16    For Commission consideration, ORS has included the estimated, unaudited four (4) months  
17    from March 2021 through June 2021 ("Estimated Period"). By examining the books and  
18    records of the Company's operations under the FAC to ensure they comply with applicable  
19    statutes and Commission Orders and reflect costs actually incurred in the generation of  
20    electricity, my direct testimony promotes the public interest.

21    **Q.     WHAT WAS THE PURPOSE OF ORS'S EXAMINATION?**

22    **A.**             The purpose of ORS's examination was to determine if the Company's accounting  
23    practices in computing and applying the monthly FAC complied with South Carolina

1 (“S.C.”) Code Ann. §§ 58-27-865, 58-39-130, 58-39-140, 58-40-20, and prior Commission  
2 orders.

3 **Q. WAS THE REVIEW PERFORMED BY YOU OR UNDER YOUR SUPERVISION?**

4 **A.** Yes. The review to which I testify was performed by me or under my supervision.

5 **Q. WHAT WAS THE SCOPE OF ORS’S EXAMINATION?**

6 **A.** ORS examined and verified the monthly calculations and the (over)/under-recovery  
7 balances recorded in the Company’s books and records for base fuel costs, environmental  
8 costs, capacity costs, Distributed Energy Resource Program (“DERP”) incremental costs,  
9 and DERP avoided costs for the Actual Period. ORS verified these monthly calculations  
10 and (over)/under-recovery balances to the Company’s monthly fuel reports filed under  
11 Docket No. 2006-176-E and the Company’s testimony and exhibits filed in this docket.  
12 ORS’s examination consisted of the following:

13 1. Analyzing the Fuel Stock Accounts

14 ORS’s analysis of the fuel stock accounts consisted of verifying receipts to and  
15 issuances from the fuel management system to the general ledger, examining monthly  
16 fuel charges originating in the fuel stock accounts, and ensuring that only proper  
17 charges were entered in the Company’s computation of fuel costs for purposes of  
18 adjusting the base fuel factor.

19 2. Sampling Receipts to the Fuel Stock Accounts

20 ORS’s review of receipts to the fuel stock accounts consisted of examining and testing  
21 transactions in coal and natural gas that support additions to the accounts during the  
22 Actual Period. Each coal transaction sampled was examined and tested for  
23 mathematical accuracy and vouched to a commodity received report, corresponding

waybill or truck bill, supplier invoice, base cost report, freight invoice, and transportation cost report. Coal transactions were then verified to fuel management system payment vouchers to verify payments of the correct amounts to the vendors. ORS sampled natural gas transactions and examined them for mathematical accuracy and verified them to third party invoices and bank statements to verify payments of the correct amounts to the vendors.

3. Verifying Coal, Oil, and Natural Gas Expenses

ORS verified the amounts of coal, oil and natural gas consumed for electric generation for each month of the Actual Period by reviewing inventory control reports, general ledger accounts, and calculation worksheets. Biogas was included in the cost of natural gas expenses reviewed by ORS. ORS verified biogas calculations for each month in the Actual Period by using the kilowatt-hours (“kWh”) attributable to biogas at the generation facility multiplied by the Commission-approved Avoided Fuel-Only rate from Docket No. 1995-1192-E.

4. Verifying Charges to Nuclear Fuel Expenses

ORS verified the amounts of nuclear fuel expenses to the Company’s books and records for the Actual Period. In addition, these amounts were verified to the Company’s nuclear fuel burned amortization schedules. ORS recalculated the Company’s nuclear fuel burned amortization schedules to verify mathematical accuracy.

5. Verifying Purchased Power and Power Sales

ORS verified the Company’s purchased and interchange power fuel cost, megawatt-hour (“MWh”) purchases, and MWh sales for the Actual Period to the Company’s intersystem purchase and sales transaction reports and monthly invoices, on a sample

basis. The purchases sampled were also verified to proof of payment information to ensure payments to vendors were accurate and agreed to the invoices received by the Company. This verification included reviewing intercompany power transactions related to the Joint Dispatch Agreement (“JDA”) between the Company and Duke Energy Carolinas, LLC (“DEC”).

ORS recomputed the Company’s sales and purchases for the Actual Period. The purchased and interchange power amounts for the Actual Period and the resultant (over)/under-recovery monthly deferred fuel amounts for the Actual Period reflect calculations that conform to S.C. Code Ann. § 58-27-865. Subsection (A)(2)(b) of this statute states that the total delivered cost of economy purchases, including, but not limited to, transmission charges, are included in purchased power costs if those purchases are “less than the purchasing utility’s avoided variable costs for the generation of an equivalent quantity of electric power.” As such, ORS verified that the economic purchases were recorded at, or less than, the Company’s applicable avoided costs.

ORS sampled and tested power sales transactions for mathematical accuracy and verified these transactions to the invoices issued by the Company to third parties. ORS sampled various hours of the power sales transactions to verify the accuracy of the generation cost being assigned to the sale within the sampled hour by the Company.

ORS reviewed the Solar Integrations Fees and Miscellaneous Fees collected by the Company that were applied to the FAC as an offsetting cost during the Actual Period.

6. Verifying kWh Sales

1           ORS verified total system kWh sales to the Company's billed revenue reports and fuel  
2           and environmental rate revenue reports for the Actual Period. ORS recalculated and  
3           verified the Net Energy Metering ("NEM") solar kWh generation reported on the NEM  
4           cost reports. Total system kWh sales, S.C. retail kWh sales, and NEM solar kWh  
5           generation were used in the computations of the (over)/under-recovery of base fuel  
6           costs, environmental costs, capacity costs, and DERP avoided costs.

7           7. Recalculating the Fuel Adjustment Factors and Verifying the (Over)/Under-Recovery  
8           of Base Fuel Costs

9           ORS recalculated the fuel costs for the Actual Period utilizing information obtained  
10          from the Company's books and records and verified the recalculated costs to the  
11          Company's monthly fuel reports. In recalculating the monthly fuel costs, ORS divided  
12          adjusted system fuel costs by adjusted system kWh sales to arrive at fuel costs per kWh  
13          sold. The fuel costs per kWh sold were then multiplied by the adjusted S.C. retail kWh  
14          sales to determine the S.C. retail base fuel costs. The S.C. retail base fuel costs billed  
15          to S.C. retail customers were compared to the S.C. retail base fuel costs to compute the  
16          deferred fuel entry - (over)/under-recovery for each month of the Actual Period. The  
17          (over)/under-recovery for each month in the Actual Period was verified to the  
18          Company's monthly fuel reports. ORS also recalculated the Company's calculations  
19          for the Estimated Period to ensure accuracy.

20          8. Recalculating the Environmental Costs and Verifying the (Over)/Under-Recovery of  
21          Environmental Costs

22          Per S.C. Code Ann. § 58-27-865(A)(1),

1 'fuel cost' also shall include the following variable environmental costs: (a) the  
2 cost of ammonia, lime, limestone, urea, dibasic acid and catalysts consumed in  
3 reducing or treating emissions, and (b) the cost of emission allowances, as used,  
4 including allowance for SO<sub>2</sub>, NO<sub>x</sub>, mercury, and particulates.

5 S.C. Code Ann. § 58-27-865(A)(1) also states that, "[a]ll variable environmental costs  
6 included in fuel costs shall be recovered from each class of customers as a separate  
7 environmental component of the overall fuel factor."

8 ORS verified the reagent expenses, emission allowances expensed, emission  
9 allowances sold, and environmental costs recovered through power sales for the Actual  
10 Period. The primary reagent expenses reviewed for the purpose of this examination  
11 include lime/limestone, magnesium hydroxide, calcium carbonate, ammonia, urea, and  
12 MerControl 8034 Plus. ORS sampled and verified that reagents purchased during the  
13 Actual Period agreed to base cost reports, transportation cost reports, and vouchers for  
14 payment. These reagents are used to reduce the emissions produced by the Company's  
15 power generation facilities during the production of electricity.

16 The emission allowances reviewed for the purposes of this examination include Sulfur  
17 Dioxide ("SO<sub>2</sub>") and Nitrogen Oxide ("NO<sub>x</sub>") emission allowances. ORS recalculated  
18 the SO<sub>2</sub> and NO<sub>x</sub> emission allowances expensed for the Actual Period as included in  
19 the Company's books and records. Emission allowances sold during the Actual Period  
20 were agreed to the transaction agreements and ORS ensured any gains/net proceeds  
21 were used to offset the environmental costs of this component per S.C. Code Ann. §  
22 58-27-865. Subsection (A)(1) of this statute requires that "fuel costs must be reduced  
23 by the net proceeds of any sales of emission allowances by the utility."

1           ORS verified the calculations of environmental costs recovered through off-system  
2           sales that reduced environmental costs for each month of the Actual Period, to arrive  
3           at the net environmental costs. ORS then used the S.C. retail kWh sales divided by the  
4           total system kWh sales excluding off-system sales to determine the S.C. allocation  
5           factor to apply to the net environmental costs. The environmental costs billed to S.C.  
6           retail customers were compared to the S.C. portion of environmental costs to compute  
7           the (over)/under-recovery for each month of the Actual Period. The (over)/under-  
8           recovery for each month in the Actual Period was verified to the Company's monthly  
9           fuel reports. ORS also recalculated the Company's calculations for the Estimated  
10          Period to ensure accuracy.

11          9. Recalculating the Capacity Costs and Verifying the (Over)/Under-Recovery of  
12          Capacity Costs

13          ORS verified the purchased power capacity costs to the Company's monthly fuel  
14          reports for the Public Utility Regulatory Policy Act of 1978 ("PURPA") purchases.  
15          This verification included the review of schedules detailing the breakdown of capacity  
16          costs and energy costs for power purchases in the Actual Period. Natural gas capacity  
17          costs were agreed to the Company's books and records for each month of the Actual  
18          Period. Per S.C. Code Ann. § 58-27-865(A)(1),

19               if capacity costs are permitted to be recovered through the fuel factor, such  
20               costs shall be allocated and recovered from customers under a separate  
21               capacity component of the overall fuel factor based on the same method that  
22               is used by the utility to allocate and recover variable environmental costs.  
23

24          ORS then used the S.C. retail kWh sales divided by the total system kWh sales  
25          excluding off-system sales to determine the S.C. allocation factor to apply to the



capacity costs. The capacity costs billed to S.C. retail customers were compared to the S.C. portion of capacity expenses to compute the (over)/under-recovery for each month of the Actual Period. The (over)/under-recovery for each month in the Actual Period was verified to the Company's monthly fuel reports. ORS also recalculated the Company's calculations for the Estimated Period to ensure accuracy.

10. Recalculating the DERP Incremental Costs and Verifying the (Over)/Under-Recovery of DERP Incremental Costs

Per S.C. Code Ann. § 58-27-865(A)(1),

the incremental and avoided costs of distributed energy resource programs and net metering as authorized and approved under Chapters 39 and 40, Title 58 shall be allocated and recovered from customers under a separate distributed energy component of the overall fuel factor that shall be allocated and recovered based on the same method that is used by the utility to allocate and recover variable environmental costs.

ORS verified the DERP incremental costs to the Company's monthly fuel reports for the Actual Period. This included verifying that general ledger transactions were supported by invoices. ORS recalculated the NEM cost reports provided by the Company for each month of the Actual Period. Additionally, ORS recalculated the NEM solar generation kWh sales and the avoided fuel benefits of S.C. NEM. ORS recalculated the solar rebate amortization schedule and the associated carrying costs. ORS also examined the shared solar program and purchase power agreement ("PPA") expenses that occurred within the Actual Period. The DERP incremental costs billed to S.C. retail customers were compared to the DERP incremental costs to compute the (over)/under-recovery for each month of the Actual Period. The (over)/under-recovery for each month in the Actual Period was verified to the Company's monthly fuel

reports. ORS also recalculated the Company's calculations for the Estimated Period to ensure accuracy.

11. Recalculating the DERP Avoided Costs and Verifying the (Over)/Under-Recovery of DERP Avoided Costs

ORS verified the DERP avoided costs for PPAs to the Company's monthly fuel reports for PURPA Purchases. The verification of PPA and shared solar program costs included the review of schedules detailing the calculations for capacity costs and energy costs for the purchases made within the Actual Period. ORS used the S.C. retail kWh sales divided by the total system kWh sales excluding off-system sales to determine the S.C. allocation factor to apply to the DERP avoided costs. The DERP avoided costs billed to S.C. retail customers were compared to the S.C. portion of DERP avoided costs to compute the (over)/under-recovery for each month of the Actual Period. The (over)/under-recovery for each month in the Actual Period was verified to the Company's monthly fuel reports. ORS also recalculated the Company's calculations for the Estimated Period to ensure accuracy.

12. Company Adjustments Made in the Actual and Estimated Periods

ORS reviewed and recalculated any adjustments made by the Company for the Actual Period. ORS recalculated any adjustments made by the Company for the Estimated Period and will fully examine those adjustments when they are included in the Actual Period as part of the Company's next FAC review.

**Q. PLEASE EXPLAIN THE AUDIT EXHIBITS ATTACHED TO YOUR TESTIMONY.**

A. ORS prepared the following audit exhibits based upon ORS's review of the Company's books and records:

**AUDIT EXHIBIT ADB-1: TOTAL RECEIVED AND WEIGHTED AVERAGE FUEL COST**

This exhibit details the total cost of coal, oil, and natural gas (includes biogas) delivered to the Company's generation stations for each month during the Actual Period. ORS has also computed the weighted average cost of each type of fuel: coal (\$96.35 per ton), oil (\$1.64 per gallon), and natural gas (\$3.87 per thousand cubic feet ("MCF")).

**AUDIT EXHIBIT ADB-2: COST OF FUEL BURNED FOR ELECTRIC GENERATION**

This exhibit details the per book cost of fuel burned for electric generation for each month of the Actual Period. The cost of burned fuel is broken into four (4) types: coal, oil, natural gas (includes biogas) and nuclear. The burned cost of each type of fuel is shown separately along with its percentage of total burned costs. These costs are used in the computations of base fuel costs.

**AUDIT EXHIBIT ADB-3: COST OF FUEL**

This exhibit details ORS's computation of the total fuel cost applicable to the base fuel recovery calculation for the Actual Period, separated into four (4) components along with each component's percentage of total fuel costs. The four (4) components included in this cost are as follows:

1. Cost of Fuel Burned;
2. Fuel Cost of Purchased and Interchange Power;
3. Fuel Cost Recovered from Power Sales; and

4. Miscellaneous Fees Collected.

Cost of Fuel Burned – This amount is the total cost of all coal, oil, natural gas, and nuclear fuel burned, detailed by month for the Actual Period, and used in the base fuel costs component computation. A detailed breakdown of coal, oil, natural gas, and nuclear fuel can be seen in Audit Exhibit ADB-2.

Fuel Cost of Purchased and Interchange Power – This amount is the total fuel cost of MWhs purchased from other electric utilities or power marketers detailed by month for the Actual Period.

Fuel Cost Recovered from Power Sales – This amount is the total fuel cost recovery related to MWhs sold to other electric utilities or power marketers detailed by month for the Actual Period. These costs lower the cost of fuel for each month of the Actual Period.

Miscellaneous Fees Collected – This amount is the total cost of PURPA contract fees, liquidated damages due to missed commercial operation dates, fees for electronic banking changes, and fees for contractual changes of control. Additionally, this amount includes variable fees paid to the Company from solar generating customers detailed by month for the Actual Period.

**AUDIT EXHIBIT ADB-4: DETAILS OF THE COMPUTATION OF THE (OVER)/UNDER-RECOVERY OF BASE FUEL COSTS**

This exhibit details the (over)/under-recovery of base fuel cost computations by month for the Actual and Estimated Periods. This exhibit also shows the computations of the actual and estimated cumulative (over)/under-recovery balances of base fuel costs and any adjustments for the Actual Period and Estimated Period.

**AUDIT EXHIBIT ADB-5: TOTAL ENVIRONMENTAL COSTS**

1 This exhibit details the total environmental costs for the Actual Period by month for  
2 magnesium hydroxide, calcium carbonate, emission allowances (expensed and sold),  
3 ammonia and urea, lime/limestone, and MerControl 8034 Plus. Additionally, the  
4 percentage of total costs is shown for each environmental component for each month in the  
5 Actual Period.

6 **AUDIT EXHIBIT ADB-6: DETAILS OF THE COMPUTATION OF THE**  
7 **(OVER)/UNDER-RECOVERY OF ENVIRONMENTAL COSTS**

8 This exhibit details the (over)/under-recovery of environmental cost computations by  
9 month for the Actual and Estimated Periods for total environmental costs and off-system  
10 sales. This exhibit also shows the computation of the actual and estimated cumulative  
11 (over)/under-recovery balances of environmental costs for the Actual Period and Estimated  
12 Period.

13 **AUDIT EXHIBIT ADB-7: DETAILS OF THE COMPUTATION OF THE**  
14 **(OVER)/UNDER-RECOVERY OF CAPACITY COSTS**

15 This exhibit details the (over)/under-recovery of PURPA purchased power avoided  
16 capacity costs and natural gas capacity costs by month for the Actual and Estimated  
17 Periods. Pursuant to Act 236, which became effective June 2014, the avoided capacity  
18 component of PURPA purchased power costs and the natural gas capacity costs, which are  
19 permitted to be recovered through the fuel factor, are now allocated and recovered as a  
20 separate component of the overall fuel factor in the same manner as environmental costs.

21 This exhibit also shows the computation of the actual and estimated cumulative  
22 (over)/under-recovery balances of capacity costs and any adjustments for the Actual Period  
23 and Estimated Period.

**AUDIT EXHIBIT ADB-8: DETAILS OF THE COMPUTATION OF THE  
(OVER)/UNDER-RECOVERY OF DERP INCREMENTAL COSTS**

This exhibit details the (over)/under-recovery of DERP incremental costs by month for the Actual and Estimated Periods. This exhibit also shows the computation of the actual and estimated cumulative (over)/under-recovery balances of DERP incremental costs and any adjustments for the Actual Period and Estimated Period.

**AUDIT EXHIBIT ADB-9: DETAILS OF THE COMPUTATION OF THE  
(OVER)/UNDER-RECOVERY OF DERP AVOIDED COSTS**

This exhibit details the (over)/under-recovery of DERP avoided costs computations by month for the Actual and Estimated Periods. This exhibit also shows the computations of the actual and estimated cumulative (over)/under-recovery balances of DERP avoided costs and any adjustments for the Actual Period and Estimated Period.

**Q. PLEASE EXPLAIN ORS'S COMPUTATION OF THE CUMULATIVE  
(OVER)/UNDER-RECOVERY OF BASE FUEL COSTS IN AUDIT EXHIBIT ADB-  
4.**

**A.** Audit Exhibit ADB-4 provides details of ORS's calculation of the actual cumulative under-recovery balance through February 2021 of \$10,891,999, and the estimated cumulative under-recovery balance through June 2021 of \$9,257,171. Company witness Harrington's testimony (Harrington Exhibit 2, pages 1 through 3) in this docket reports a cumulative base fuel cost under-recovery balance through February 2021 of \$10,892,003 and the estimated cumulative under-recovery balance through June 2021 of

1           \$9,257,175. The variances between ORS and the Company's cumulative ending balances  
2           for February 2021 and June 2021 are due to rounding.

3   **Q.     DID THE COMPANY MAKE ANY ADJUSTMENTS DURING EITHER THE**  
4   **ACTUAL OR ESTIMATED PERIODS FOR THE BASE FUEL COSTS?**

5   **A.**           Yes. Company witness Harrington explains a base fuel cost adjustment in her direct  
6           testimony on pages 6-7. This adjustment is reflected in Audit Exhibit ADB-4 as adjustment  
7           (A). ORS has reviewed and accepts the adjustment made by the Company for base fuel  
8           costs.

9   **Q.     PLEASE EXPLAIN ORS'S COMPUTATION OF THE CUMULATIVE**  
10   **(OVER)/UNDER-RECOVERY OF ENVIRONMENTAL COSTS IN AUDIT**  
11   **EXHIBIT ADB-6.**

12   **A.**           Audit Exhibit ADB-6 provides details of ORS's calculation of the actual  
13           cumulative over-recovery balance through February 2021 of \$348,872 and the estimated  
14           cumulative over-recovery balance through June 2021 of \$483,867. Company witness  
15           Harrington's testimony (Harrington Exhibit 4, pages 1 through 6) in this docket reports a  
16           cumulative environmental cost over-recovery balance through February 2021 of \$348,874  
17           and the estimated cumulative over-recovery balance through June 2021 of \$483,868. The  
18           variances between ORS and the Company's cumulative ending balances for February 2021  
19           and June 2021 are due to rounding.

20   **Q.     PLEASE EXPLAIN ORS'S COMPUTATION OF THE CUMULATIVE**  
21   **(OVER)/UNDER-RECOVERY OF CAPACITY COSTS IN AUDIT EXHIBIT ADB-**  
22   **7.**

1     **A.**             Audit Exhibit ADB-7 provides details of ORS's calculation of the actual  
2             cumulative capacity cost under-recovery balance through February 2021 of \$5,044,755 and  
3             the estimated cumulative under-recovery balance through June 2021 of \$5,491,439.  
4             Company witness Harrington's testimony (Harrington Exhibit 7, pages 1 through 6) in this  
5             docket reports a cumulative under-recovery balance through February 2021 of \$5,044,753  
6             and the estimated cumulative under-recovery balance through June 2021 of \$5,491,437.  
7             The variances between ORS and the Company's cumulative ending balances for February  
8             2021 and June 2021 are due to rounding.

9     **Q.     PLEASE EXPLAIN ORS'S COMPUTATION OF THE CUMULATIVE**  
10            **(OVER)/UNDER-RECOVERY OF DERP INCREMENTAL COSTS IN AUDIT**  
11            **EXHIBIT ADB-8.**

12    **A.**             Audit Exhibit ADB-8 provides details of ORS's calculation of the actual  
13             cumulative DERP incremental cost under-recovery balance through February 2021 of  
14             \$173,597 and the estimated cumulative under-recovery balance through June 2021 of  
15             \$274,534. Company witness Harrington's testimony (Harrington Exhibit 9, pages 1  
16             through 2) in this docket reports a cumulative under-recovery balance through February  
17             2021 of \$173,595 and the estimated cumulative under-recovery balance through June 2021  
18             of \$274,531. The variances between ORS and the Company's cumulative ending balances  
19             for February 2021 and June 2021 are due to rounding.

20    **Q.     DID THE COMPANY MAKE ANY ADJUSTMENTS DURING EITHER THE**  
21            **ACTUAL OR ESTIMATED PERIODS FOR THE DERP INCREMENTAL**  
22            **COSTS?**



1     **A.**             Yes. Company witness Harrington explained an adjustment for DERP incremental  
2             costs in her direct testimony on pages 11-12 in Docket 2020-1-E. This adjustment is  
3             reflected in Audit Exhibit ADB-8 as adjustment (B). This adjustment was made in the  
4             Company's last FAC review in the estimated period and is now included within the Actual  
5             Period for this case. ORS has reviewed and accepts the adjustment made by the Company  
6             for DERP incremental costs.

7     **Q.     PLEASE EXPLAIN ORS'S COMPUTATION OF THE CUMULATIVE**  
8             **(OVER)/UNDER-RECOVERY OF DERP AVOIDED COSTS IN AUDIT EXHIBIT**  
9             **ADB-9.**

10    **A.**             Audit Exhibit ADB-9 provides details of ORS's calculation of the actual  
11             cumulative DERP avoided cost over-recovery balance through February 2021 of \$19,308  
12             and the estimated cumulative over-recovery balance through June 2021 of \$36,804.  
13             Company witness Harrington's testimony (Harrington Exhibit 13, pages 1 through 6) in  
14             this docket reports a cumulative over-recovery balance through February 2021 of \$19,309  
15             and the estimated cumulative over-recovery balance through June 2021 of \$36,805. The  
16             variances between ORS and the Company's cumulative ending balances for February 2021  
17             and June 2021 are due to rounding.

18    **Q.     WHAT IS THE RESULT OF ORS'S EXAMINATION?**

19    **A.**             Based on ORS's examination of the Company's books and records, and the  
20             Company's operations under the fuel cost recovery mechanism, it is ORS's opinion, that  
21             subject to the Company's Adjustments, the Company's accounting practices are in  
22             compliance with S.C. Code Ann. §§ 58-27-865, 58-39-130, 58-39-140, 58-40-20, and prior  
23             Commission orders.

Based on ORS's examination, ORS agrees with the following cumulative (over)/under-recovery balances as calculated in Company witness Harrington's Exhibits in this docket:

- February 2021 base fuel cost under-recovery balance of \$10,892,003;
- February 2021 environmental cost component over-recovery of \$348,874;
- February 2021 capacity cost component under-recovery balance of \$5,044,753;
- February 2021 DERP incremental under-recovery balance of \$173,595;
- February 2021 DERP avoided cost over-recovery balance of \$19,309;
- June 2021 estimated base fuel cost under-recovery balance of \$9,257,175;
- June 2021 estimated environmental cost component over-recovery balance of \$483,868;
- June 2021 estimated capacity cost component under-recovery balance of \$5,491,437;
- June 2021 estimated DERP incremental cost under-recovery balance of \$274,531; and,
- June 2021 estimated DERP avoided cost over-recovery balance of \$36,805.

**Q. WILL YOU UPDATE YOUR DIRECT TESTIMONY BASED ON INFORMATION THAT BECOMES AVAILABLE?**

**A.** Yes. ORS fully reserves the right to revise its recommendations via supplemental testimony should new information not previously provided by the Company, or other sources, becomes available.

**Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

**A.** Yes, it does.

Office of Regulatory Staff  
Total Received and Weighted Average Fuel Cost  
Duke Energy Progress, LLC  
For Year Ending February 2021  
Docket No. 2021-1-E

<u>Month</u>	<u>Coal</u>	<u>Oil</u>	<u>Natural Gas</u>	<u>Total Received Cost</u>			
	<u>Tons</u>	<u>\$</u>	<u>Gal</u>	<u>\$</u>	<u>MCF</u>	<u>\$</u>	<u>\$</u>
<b>Mar-20</b>	88,695	10,015,494	127,664	235,238	12,368,530	46,194,044	<b>56,444,776</b>
<b>Apr-20</b>	198,729	36,028,661	7,486	7,864	7,785,732	34,293,456	<b>70,329,981</b>
<b>May-20</b>	25,992	3,375,259	119,423	165,045	10,493,842	49,439,728	<b>52,980,032</b>
<b>Jun-20</b>	7,075	55,762	438,633	821,637	12,769,782	34,997,893	<b>35,875,292</b>
<b>Jul-20</b>	204,043	25,334,996	312,081	751,307	17,143,056	50,196,107	<b>76,282,410</b>
<b>Aug-20</b>	280,431	18,516,228	319,386	431,388	15,293,818	51,075,585	<b>70,023,201</b>
<b>Sep-20</b>	292,974	19,536,121	141,403	224,089	11,998,926	44,364,894	<b>64,125,104</b>
<b>Oct-20</b>	293,861	34,670,959	66,620	97,687	11,120,909	41,137,862	<b>75,906,508</b>
<b>Nov-20</b>	269,542	18,353,598	299,127	395,600	11,463,505	49,302,617	<b>68,051,815</b>
<b>Dec-20</b>	293,006	19,764,738	285,364	368,352	16,443,546	69,760,991	<b>89,894,081</b>
<b>Jan-21</b>	221,837	32,556,480	283,201	458,616	14,691,438	61,293,909	<b>94,309,005</b>
<b>Feb-21</b>	245,029	15,069,316	354,428	568,368	11,903,836	61,835,122	<b>77,472,806</b>
<b>Total</b>	<b>2,421,214</b>	<b>\$ 233,277,612</b>	<b>2,754,816</b>	<b>\$ 4,525,191</b>	<b>153,476,920</b>	<b>\$ 593,892,208</b>	<b>\$ 831,695,011</b>
<b>Weighted Average Cost</b>		<b>\$ 96.35</b>		<b>\$ 1.64</b>		<b>\$ 3.87</b>	

Office of Regulatory Staff  
Cost of Fuel Burned for Electric Generation  
Duke Energy Progress, LLC  
For Year Ending February 2021  
Docket No. 2021-1-E

<u>Month</u>			<u>Coal</u>		<u>Oil</u>		<u>Natural Gas</u>		<u>Nuclear</u>		<u>Total Burned Cost</u>			
Mar-20	\$	9,364,725	16.99%	\$	239,088	0.43%	\$	33,873,785	61.46%	\$	11,643,238	21.12%	\$	55,120,836
Apr-20	\$	3,421	0.01%	\$	44,848	0.13%	\$	20,540,780	57.67%	\$	15,023,270	42.19%	\$	35,612,319
May-20	\$	1,179,830	2.19%	\$	854,925	1.59%	\$	35,912,945	66.78%	\$	15,833,387	29.44%	\$	53,781,087
Jun-20	\$	35,153,374	49.80%	\$	993,974	1.41%	\$	21,061,216	29.84%	\$	13,379,089	18.95%	\$	70,587,653
Jul-20	\$	58,374,571	51.48%	\$	770,188	0.68%	\$	38,385,373	33.85%	\$	15,861,774	13.99%	\$	113,391,906
Aug-20	\$	48,942,078	49.07%	\$	566,572	0.57%	\$	37,375,222	37.48%	\$	12,842,753	12.88%	\$	99,726,625
Sep-20	\$	25,073,377	35.20%	\$	152,305	0.21%	\$	30,971,965	43.47%	\$	15,043,404	21.12%	\$	71,241,051
Oct-20	\$	8,527,574	16.47%	\$	118,017	0.23%	\$	27,726,220	53.53%	\$	15,419,408	29.77%	\$	51,791,219
Nov-20	\$	4,774,469	8.76%	\$	753,254	1.38%	\$	36,362,212	66.71%	\$	12,619,848	23.15%	\$	54,509,783
Dec-20	\$	36,630,962	33.86%	\$	1,622,822	1.50%	\$	55,944,215	51.72%	\$	13,972,291	12.92%	\$	108,170,290
Jan-21	\$	38,417,294	36.76%	\$	1,638,099	1.57%	\$	48,453,183	46.37%	\$	15,993,133	15.30%	\$	104,501,709
Feb-21	\$	40,320,230	36.60%	\$	6,386,090	5.80%	\$	49,060,518	44.54%	\$	14,381,062	13.06%	\$	110,147,900
Total	\$	306,761,905	33.04%	\$	14,140,182	1.52%	\$	435,667,634	46.92%	\$	172,012,657	18.52%	\$	928,582,378

Office of Regulatory Staff  
Cost of Fuel  
Duke Energy Progress, LLC  
For Year Ending February 2021  
Docket No. 2021-1-E

<u>Month</u>	<u>Cost of Fuel Burned</u>		<u>Fuel Cost of Purchased and Interchange Power</u>		<u>Fuel Cost Recovered from Power Sales</u>		<u>Miscellaneous Fees Collected</u>		<u>Total Fuel Costs</u>
Mar-20	\$	55,120,836 68.54%	\$	29,207,212 36.32%	\$	(3,901,369) -4.85%	\$	(100) 0.00%	\$ 80,426,579
Apr-20	\$	35,612,319 58.21%	\$	31,345,173 51.24%	\$	(5,779,401) -9.45%	\$	(8) 0.00%	\$ 61,178,083
May-20	\$	53,781,087 63.40%	\$	38,906,803 45.87%	\$	(7,861,665) -9.27%	\$	(52) 0.00%	\$ 84,826,173
Jun-20	\$	70,587,653 70.78%	\$	34,556,172 34.65%	\$	(5,416,973) -5.43%	\$	31 0.00%	\$ 99,726,883
Jul-20	\$	113,391,906 78.72%	\$	42,421,605 29.45%	\$	(11,763,991) -8.17%	\$	(77) 0.00%	\$ 144,049,443
Aug-20	\$	99,726,625 72.72%	\$	43,248,924 31.54%	\$	(5,843,258) -4.26%	\$	(1,496) 0.00%	\$ 137,130,795
Sep-20	\$	71,241,051 75.50%	\$	31,596,682 33.48%	\$	(8,485,584) -8.99%	\$	12,964 0.01%	\$ 94,365,113
Oct-20	\$	51,791,219 84.41%	\$	23,836,977 38.85%	\$	(14,264,996) -23.25%	\$	(4,763) -0.01%	\$ 61,358,437
Nov-20	\$	54,509,783 65.23%	\$	34,657,998 41.48%	\$	(5,606,510) -6.71%	\$	11 0.00%	\$ 83,561,282
Dec-20	\$	108,170,290 91.34%	\$	30,181,490 25.48%	\$	(19,708,145) -16.64%	\$	(211,691) -0.18%	\$ 118,431,944
Jan-21	\$	104,501,709 89.18%	\$	25,261,741 21.56%	\$	(12,577,955) -10.73%	\$	(10,281) -0.01%	\$ 117,175,214
Feb-21	\$	110,147,900 94.19%	\$	26,833,968 22.95%	\$	(20,038,508) -17.14%	\$	(620) 0.00%	\$ 116,942,740
<b>Total</b>	<b>\$</b>	<b>928,582,378 77.44%</b>	<b>\$</b>	<b>392,054,745 32.69%</b>	<b>\$</b>	<b>(121,248,355) -10.11%</b>	<b>\$</b>	<b>(216,082) -0.02%</b>	<b>\$ 1,199,172,686</b>

Office of Regulatory Staff  
Details of the Computation of the (Over)/Under-Recovery of Base Fuel Costs  
Duke Energy Progress, LLC  
March 2020 - June 2021  
Docket No. 2021-1-E

	Actual							
	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020	October 2020
Total Fuel Costs	\$ 80,426,579	\$ 61,178,083	\$ 84,826,173	\$ 99,726,883	\$ 144,049,443	\$ 137,130,795	\$ 94,365,113	\$ 61,358,437
Add: Avoided Fuel Benefit of SC NEM	\$ 81,216	\$ 85,792	\$ 71,329	\$ 70,374	\$ 92,879	\$ 55,697	\$ 57,576	\$ 58,558
Adjusted System Fuel Costs	\$ 80,507,795	\$ 61,263,875	\$ 84,897,502	\$ 99,797,257	\$ 144,142,322	\$ 137,186,492	\$ 94,422,689	\$ 61,416,995
Total System kWh Sales	4,551,154,460	3,984,064,703	3,979,317,925	4,848,716,343	6,006,072,697	6,242,419,745	5,338,880,459	4,343,607,027
Add: NEM Solar Generation kWh	2,529,301	2,671,824	2,221,380	2,191,660	3,222,483	2,449,602	2,544,885	2,588,219
Adjusted System kWh Sales	4,553,683,761	3,986,736,527	3,981,539,305	4,850,908,003	6,009,295,180	6,244,869,347	5,341,425,344	4,346,195,246
Fuel Costs per kWh Sales	\$ 0.017680	\$ 0.015367	\$ 0.021323	\$ 0.020573	\$ 0.023987	\$ 0.021968	\$ 0.017677	\$ 0.014131
S.C. Retail kWh Sales	475,339,510	428,996,176	394,682,108	479,011,331	551,334,960	649,342,576	508,527,077	454,579,019
Add: NEM Solar Generation kWh	2,529,301	2,671,824	2,221,380	2,191,660	3,222,483	2,449,602	2,544,885	2,588,219
Adjusted S.C. Retail kWh Sales	477,868,811	431,668,000	396,903,488	481,202,991	554,557,443	651,792,178	511,071,962	457,167,238
S.C. Base Fuel Costs	\$ 8,448,581	\$ 6,633,409	\$ 8,463,087	\$ 9,899,742	\$ 13,301,925	\$ 14,318,487	\$ 9,034,440	\$ 6,460,326
Less: Avoided Fuel Benefit of S.C. NEM	\$ (81,216)	\$ (85,792)	\$ (71,329)	\$ (70,374)	\$ (92,879)	\$ (55,697)	\$ (57,576)	\$ (58,558)
Adjusted S.C. Base Fuel Costs	\$ 8,367,365	\$ 6,547,617	\$ 8,391,758	\$ 9,829,368	\$ 13,209,046	\$ 14,262,790	\$ 8,976,864	\$ 6,401,768
S.C. Retail Fuel Costs Collected	\$ 9,863,947	\$ 8,901,147	\$ 8,188,761	\$ 9,938,484	\$ 10,976,179	\$ 12,256,077	\$ 9,596,215	\$ 8,577,652
Less: Fuel Benefits in DERP NEM Incentive	\$ (15,416)	\$ (14,478)	\$ (10,046)	\$ (9,629)	\$ (4,576)	\$ (1,735)	\$ 4,793	\$ 4,707
Adjusted S.C. Retail Costs Collected	\$ 9,848,531	\$ 8,886,669	\$ 8,178,715	\$ 9,928,855	\$ 10,971,603	\$ 12,254,342	\$ 9,601,008	\$ 8,582,359
Current Month (Over)/Under Recovery Amount	\$ (1,481,166)	\$ (2,339,052)	\$ 213,043	\$ (99,487)	\$ 2,237,443	\$ 2,008,448	\$ (624,144)	\$ (2,180,591)
Cumulative (Over)/Under-Recovery-Prior Month Amount	\$ 8,184,894	\$ 6,703,728	\$ 4,364,676	\$ 4,577,719	\$ 4,478,232	\$ 6,715,675	\$ 8,724,123	\$ 8,099,979
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery	\$ 6,703,728	\$ 4,364,676	\$ 4,577,719	\$ 4,478,232	\$ 6,715,675	\$ 8,724,123	\$ 8,099,979	\$ 5,919,388

Office of Regulatory Staff  
Details of the Computation of the (Over)/Under-Recovery of Base Fuel Costs  
Duke Energy Progress, LLC  
March 2020 - June 2021  
Docket No. 2021-1-E

	Actual				Estimated			
	November 2020	December 2020	January 2021	February 2021	March 2021	April 2021	May 2021	June 2021
Total Fuel Costs	\$ 83,561,282	\$ 118,431,944	\$ 117,175,214	\$ 116,942,740	\$ 82,491,637	\$ 69,726,759	\$ 81,471,635	\$ 94,857,173
Add: Avoided Fuel Benefit of SC NEM	\$ 51,067	\$ 52,306	\$ 51,305	\$ 67,572	\$ 58,297	\$ 59,274	\$ 60,011	\$ 60,726
Adjusted System Fuel Costs	\$ 83,612,349	\$ 118,484,250	\$ 117,226,519	\$ 117,010,312	\$ 82,549,934	\$ 69,786,033	\$ 81,531,646	\$ 94,917,899
Total System kWh Sales	4,431,179,871	4,960,795,339	5,567,430,188	5,405,413,208	4,799,386,806	4,260,831,791	4,348,895,916	5,093,027,810
Add: NEM Solar Generation kWh	2,257,133	2,311,961	2,267,752	2,986,623	2,576,658	2,620,395	2,652,981	2,684,576
Adjusted System kWh Sales	4,433,437,004	4,963,107,300	5,569,697,940	5,408,399,831	4,801,963,464	4,263,452,186	4,351,548,897	5,095,712,386
Fuel Costs per kWh Sales	\$ 0.018859	\$ 0.023873	\$ 0.021047	\$ 0.021635	\$ 0.017191	\$ 0.016368	\$ 0.018736	\$ 0.018627
S.C. Retail kWh Sales	489,073,119	465,537,555	544,883,614	543,390,922	495,854,642	495,064,662	475,407,063	530,057,299
Add: NEM Solar Generation kWh	2,257,133	2,311,961	2,267,752	2,986,623	2,576,658	2,620,395	2,652,981	2,684,576
Adjusted S.C. Retail kWh Sales	491,330,252	467,849,516	547,151,366	546,377,545	498,431,300	497,685,057	478,060,044	532,741,875
S.C. Base Fuel Costs	\$ 9,266,237	\$ 11,168,971	\$ 11,516,001	\$ 11,820,836	\$ 8,568,468	\$ 8,146,325	\$ 8,957,046	\$ 9,923,390
Less: Avoided Fuel Benefit of S.C. NEM	\$ (51,067)	\$ (52,306)	\$ (51,305)	\$ (67,572)	\$ (58,297)	\$ (59,274)	\$ (60,011)	\$ (60,726)
Adjusted S.C. Base Fuel Costs	\$ 9,215,170	\$ 11,116,665	\$ 11,464,696	\$ 11,753,264	\$ 8,510,171	\$ 8,087,051	\$ 8,897,035	\$ 9,862,664
S.C. Retail Fuel Costs Collected	\$ 9,228,765	\$ 8,786,933	\$ 10,284,613	\$ 10,256,831	\$ 9,358,899	\$ 9,341,870	\$ 8,970,931	\$ 10,002,181
Less: Fuel Benefits in DERP NEM Incentive	\$ 3,981	\$ 5,532	\$ 5,870	\$ 4,659	\$ 3,975	\$ (13,562)	\$ (13,738)	\$ (13,908)
Adjusted S.C. Retail Costs Collected	\$ 9,232,746	\$ 8,792,465	\$ 10,290,483	\$ 10,261,490	\$ 9,362,874	\$ 9,328,308	\$ 8,957,193	\$ 9,988,273
Current Month (Over)/Under Recovery Amount	\$ (17,576)	\$ 2,324,200	\$ 1,174,213	\$ 1,491,774	\$ (852,703)	\$ (1,241,257)	\$ (60,158)	\$ (125,609)
Cumulative (Over)/Under-Recovery-Prior Month Amount	\$ 5,919,388	\$ 5,901,812	\$ 8,226,012	\$ 9,400,225	\$ 10,891,999	\$ 10,684,195	\$ 9,442,938	\$ 9,382,780
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ 644,899 (A)	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery	\$ 5,901,812	\$ 8,226,012	\$ 9,400,225	\$ 10,891,999	\$ 10,684,195	\$ 9,442,938	\$ 9,382,780	\$ 9,257,171

	February 2021	June 2021
Cumulative (Over)/Under-Recovery of the Base Fuel Costs (Audit Exhibit ADB-4)	\$ 10,891,999	\$ 9,257,171
Cumulative (Over)/Under-Recovery of Environmental Costs (Audit Exhibit ADB-6)	\$ (348,872)	\$ (483,867)
Cumulative (Over)/Under-Recovery of Capacity Costs (Audit Exhibit ADB-7)	\$ 5,044,755	\$ 5,491,439
Cumulative (Over)/Under-Recovery of DERP Incremental Costs (Audit Exhibit ADB-8)	\$ 173,597	\$ 274,534
Cumulative (Over)/Under-Recovery of DERP Avoided Costs (Audit Exhibit ADB-9)	\$ (19,308)	\$ (36,804)
Net Cumulative (Over)/Under-Recovery Balance	\$ 15,742,171	\$ 14,502,473

Office of Regulatory Staff  
Total Environmental Costs  
Duke Energy Progress, LLC  
For Year Ending February 2021  
Docket No. 2021-1-E

Month	Magnesium Hydroxide		Calcium Carbonate		Emission Allowances		Ammonia and Urea		Lime/Limestone		MerControl 8034 Plus		Total Environmental Costs
Mar-20	\$ 115,413	22.54%	\$ 32,650	6.38%	\$ 195	0.04%	\$ 76,089	14.87%	\$ 287,490	56.17%	\$ -	0.00%	\$ 511,837
Apr-20	\$ -	0.00%	\$ -	0.00%	\$ 195	0.95%	\$ 20,268	99.05%	\$ -	0.00%	\$ -	0.00%	\$ 20,463
May-20	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 29,578	43.16%	\$ 38,959	56.84%	\$ -	0.00%	\$ 68,537
Jun-20	\$ 253,184	17.25%	\$ 98,484	6.71%	\$ 67	0.00%	\$ 213,288	14.53%	\$ 902,795	61.51%	\$ -	0.00%	\$ 1,467,818
Jul-20	\$ 435,028	17.17%	\$ 150,858	5.95%	\$ 1,980	0.08%	\$ 288,675	11.39%	\$ 1,657,381	65.41%	\$ -	0.00%	\$ 2,533,922
Aug-20	\$ 551,254	20.95%	\$ 153,074	5.82%	\$ 4,245	0.16%	\$ 250,232	9.51%	\$ 1,672,385	63.56%	\$ -	0.00%	\$ 2,631,190
Sep-20	\$ 232,672	21.50%	\$ 53,845	4.97%	\$ 3,485	0.32%	\$ 162,983	15.06%	\$ 629,410	58.15%	\$ -	0.00%	\$ 1,082,395
Oct-20	\$ 51,250	16.67%	\$ 19,991	6.50%	\$ 1,465	0.48%	\$ 11,527	3.75%	\$ 223,196	72.60%	\$ -	0.00%	\$ 307,429
Nov-20	\$ 33,798	20.11%	\$ 5,159	3.07%	\$ 586	0.35%	\$ 20,141	11.99%	\$ 108,341	64.48%	\$ -	0.00%	\$ 168,025
Dec-20	\$ 198,522	15.04%	\$ 77,874	5.90%	\$ (129)	-0.01%	\$ 280,747	21.26%	\$ 763,354	57.81%	\$ -	0.00%	\$ 1,320,368
Jan-21	\$ 277,827	21.24%	\$ 138,791	10.61%	\$ 1,851	0.14%	\$ 158,190	12.09%	\$ 731,495	55.92%	\$ -	0.00%	\$ 1,308,154
Feb-21	\$ 231,719	14.40%	\$ 102,469	6.37%	\$ 2,235	0.14%	\$ 290,807	18.07%	\$ 982,176	61.02%	\$ -	0.00%	\$ 1,609,406
Totals	\$ 2,380,667	18.27%	\$ 833,195	6.40%	\$ 16,175	0.12%	\$ 1,802,525	13.83%	\$ 7,996,982	61.38%	\$ -	0.00%	\$ 13,029,544



Office of Regulatory Staff  
Details of the Computation of the (Over)/Under-Recovery of Environmental Costs  
Duke Energy Progress, LLC  
March 2020 - June 2021  
Docket No. 2021-1-E

	Actual							
	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020	October 2020
Total Enviromental Costs	\$ 511,837	\$ 20,463	\$ 68,537	\$ 1,467,818	\$ 2,533,922	\$ 2,631,190	\$ 1,082,395	\$ 307,429
Off-System Sales	\$ (28,012)	\$ (15,499)	\$ (25,863)	\$ (69,561)	\$ (211,876)	\$ (101,758)	\$ (95,824)	\$ (80,735)
Net Environmental Costs	\$ 483,825	\$ 4,964	\$ 42,674	\$ 1,398,257	\$ 2,322,046	\$ 2,529,432	\$ 986,571	\$ 226,694
S.C. Retail kWh Sales	475,339,510	428,996,176	394,682,108	479,011,331	551,334,960	649,342,576	508,527,077	454,579,019
Total System kWh Sales Excluding Off-System Sales	4,551,154,460	3,984,064,703	3,979,317,925	4,848,716,343	6,006,072,697	6,242,419,745	5,338,880,459	4,343,607,027
S.C. Allocation Factor	10.44%	10.77%	9.92%	9.88%	9.18%	10.40%	9.52%	10.47%
S.C. Retail Basis of Total Environmental Costs	\$ 50,532	\$ 535	\$ 4,233	\$ 138,136	\$ 213,155	\$ 263,114	\$ 93,971	\$ 23,725
Amounts Billed to Retail Customers	\$ 198,206	\$ 165,327	\$ 158,775	\$ 189,984	\$ 163,071	\$ 90,411	\$ 82,957	\$ 66,230
Current Month (Over)/Under-Recovery	\$ (147,674)	\$ (164,792)	\$ (154,542)	\$ (51,848)	\$ 50,084	\$ 172,703	\$ 11,014	\$ (42,505)
Cumulative (Over)/Under-Recovery-Prior Month	\$ (86,728)	\$ (234,402)	\$ (399,194)	\$ (553,736)	\$ (605,584)	\$ (555,500)	\$ (382,797)	\$ (371,783)
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery	\$ (234,402)	\$ (399,194)	\$ (553,736)	\$ (605,584)	\$ (555,500)	\$ (382,797)	\$ (371,783)	\$ (414,288)

	Actual				Estimated			
	November 2020	December 2020	January 2021	February 2021	March 2021	April 2021	May 2021	June 2021
Total Enviromental Costs	\$ 168,025	\$ 1,320,368	\$ 1,308,154	\$ 1,609,406	\$ 592,082	\$ 331,887	\$ 118,224	\$ 694,965
Off-System Sales	\$ (22,608)	\$ (178,847)	\$ (182,286)	\$ (102,403)	\$ (28,753)	\$ (1,412)	\$ (836)	\$ (3,128)
Net Environmental Costs	\$ 145,417	\$ 1,141,521	\$ 1,125,868	\$ 1,507,003	\$ 563,329	\$ 330,475	\$ 117,388	\$ 691,837
S.C. Retail kWh Sales	489,073,119	465,537,555	544,883,614	543,390,922	495,854,642	495,064,662	475,407,063	530,057,299
Total System kWh Sales Excluding Off-System Sales	4,431,179,871	4,960,795,339	5,567,430,188	5,405,413,208	4,799,386,806	4,260,831,791	4,348,895,916	5,093,027,810
S.C. Allocation Factor	11.04%	9.38%	9.79%	10.05%	10.33%	11.62%	10.93%	10.41%
S.C. Retail Basis of Total Environmental Costs	\$ 16,050	\$ 107,124	\$ 110,189	\$ 151,495	\$ 58,201	\$ 38,398	\$ 12,832	\$ 72,003
Amounts Billed to Retail Customers	\$ 64,654	\$ 81,121	\$ 86,460	\$ 87,207	\$ 80,250	\$ 80,403	\$ 74,290	\$ 81,486
Current Month (Over)/Under-Recovery Amount	\$ (48,604)	\$ 26,003	\$ 23,729	\$ 64,288	\$ (22,049)	\$ (42,005)	\$ (61,458)	\$ (9,483)
Cumulative (Over)/Under-Recovery-Prior Month	\$ (414,288)	\$ (462,892)	\$ (436,889)	\$ (413,160)	\$ (348,872)	\$ (370,921)	\$ (412,926)	\$ (474,384)
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery	\$ (462,892)	\$ (436,889)	\$ (413,160)	\$ (348,872)	\$ (370,921)	\$ (412,926)	\$ (474,384)	\$ (483,867)

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Details of the Computation of the (Over)/Under-Recovery of Capacity Costs  
Duke Energy Progress, LLC  
March 2020 - June 2021  
Docket No. 2021-1-E

	Actual							
	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020	October 2020
PURPA Purchased Power Capacity Costs	\$ 3,662,161	\$ 5,374,198	\$ 7,664,397	\$ 5,796,342	\$ 16,682,022	\$ 11,785,637	\$ 9,015,684	\$ 6,157,840
Natural Gas Capacity Costs	\$ 11,985,968	\$ 13,436,824	\$ 13,233,439	\$ 13,531,866	\$ 11,442,257	\$ 13,414,124	\$ 13,041,833	\$ 12,973,935
Total Costs for the current month	\$ 15,648,129	\$ 18,811,022	\$ 20,897,836	\$ 19,328,208	\$ 28,124,279	\$ 25,199,761	\$ 22,057,517	\$ 19,131,775
S.C. Retail kWh Sales	475,339,510	428,996,176	394,682,108	479,011,331	551,334,960	649,342,576	508,527,077	454,579,019
Total System kWh Sales Excluding Off-System Sales	4,551,154,460	3,984,064,703	3,979,317,925	4,848,716,343	6,006,072,697	6,242,419,745	5,338,880,459	4,343,607,027
S.C. Allocation Factor	10.44%	10.77%	9.92%	9.88%	9.18%	10.40%	9.52%	10.47%
S.C. Share of Capacity Costs	\$ 1,634,348	\$ 2,025,533	\$ 2,072,718	\$ 1,909,461	\$ 2,581,705	\$ 2,621,304	\$ 2,100,974	\$ 2,002,230
Amount Billed to Retail Customers	\$ 1,834,202	\$ 1,529,389	\$ 1,468,731	\$ 1,758,016	\$ 1,991,529	\$ 1,999,185	\$ 1,820,414	\$ 1,412,628
Current Month (Over)/Under-Recovery	\$ (199,854)	\$ 496,144	\$ 603,987	\$ 151,445	\$ 590,176	\$ 622,119	\$ 280,560	\$ 589,602
Cumulative (Over)/Under-Recovery - Prior Month	\$ 2,280,576	\$ 2,080,722	\$ 2,576,866	\$ 3,180,853	\$ 3,332,298	\$ 3,922,474	\$ 4,544,593	\$ 4,825,153
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery	\$ 2,080,722	\$ 2,576,866	\$ 3,180,853	\$ 3,332,298	\$ 3,922,474	\$ 4,544,593	\$ 4,825,153	\$ 5,414,755

	Actual				Estimated			
	November 2020	December 2020	January 2021	February 2021	March 2021	April 2021	May 2021	June 2021
PURPA Purchased Power Capacity Costs	\$ 2,907,002	\$ 4,765,513	\$ 4,164,278	\$ 3,135,338	\$ 4,073,058	\$ 5,779,000	\$ 6,248,046	\$ 6,276,345
Natural Gas Capacity Costs	\$ 12,785,579	\$ 13,505,848	\$ 12,579,602	\$ 12,559,790	\$ 12,796,278	\$ 10,396,719	\$ 10,662,981	\$ 10,886,941
Total Costs for the current month	\$ 15,692,581	\$ 18,271,361	\$ 16,743,880	\$ 15,695,128	\$ 16,869,336	\$ 16,175,719	\$ 16,911,027	\$ 17,163,286
S.C. Retail kWh Sales	489,073,119	465,537,555	544,883,614	543,390,922	495,854,642	495,064,662	475,407,063	530,057,299
Total System kWh Sales Excluding Off-System Sales	4,431,179,871	4,960,795,339	5,567,430,188	5,405,413,208	4,799,386,806	4,260,831,791	4,348,895,916	5,093,027,810
S.C. Allocation Factor	11.04%	9.38%	9.79%	10.05%	10.33%	11.62%	10.93%	10.41%
S.C. Share of Capacity Costs	\$ 1,732,004	\$ 1,714,645	\$ 1,638,722	\$ 1,577,787	\$ 1,742,876	\$ 1,879,452	\$ 1,848,658	\$ 1,786,271
Amount Billed to Retail Customers	\$ 1,374,755	\$ 1,781,909	\$ 1,937,785	\$ 1,938,709	\$ 1,744,818	\$ 1,716,045	\$ 1,582,200	\$ 1,767,510
Current Month (Over)/Under-Recovery	\$ 357,249	\$ (67,264)	\$ (299,063)	\$ (360,922)	\$ (1,942)	\$ 163,407	\$ 266,458	\$ 18,761
Cumulative (Over)/Under-Recovery - Prior Month	\$ 5,414,755	\$ 5,772,004	\$ 5,704,740	\$ 5,405,677	\$ 5,044,755	\$ 5,042,813	\$ 5,206,220	\$ 5,472,678
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery	\$ 5,772,004	\$ 5,704,740	\$ 5,405,677	\$ 5,044,755	\$ 5,042,813	\$ 5,206,220	\$ 5,472,678	\$ 5,491,439

Office of Regulatory Staff  
Details of the Computation of the (Over)/Under-Recovery of Distributed Energy Resource Program Incremental Costs  
Duke Energy Progress, LLC  
March 2020 - June 2021  
Docket No. 2021-1-E

	Actual							
	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020	October 2020
Purchased Power Agreements	\$ 429	\$ 166	\$ 1,240	\$ 104	\$ 19,950	\$ 11,301	\$ 7,413	\$ 5,939
NEM* Incentive	\$ 82,673	\$ 99,141	\$ 94,839	\$ 95,392	\$ 141,977	\$ 162,432	\$ 168,922	\$ 170,764
Solar Rebate Program	\$ 47,337	\$ 47,775	\$ 47,775	\$ 47,775	\$ 48,712	\$ 48,755	\$ 49,595	\$ 49,715
Carrying Costs on Deferred Amounts	\$ 40,459	\$ 40,521	\$ 40,476	\$ 40,219	\$ 40,416	\$ 40,628	\$ 40,794	\$ 40,992
Shared Solar Program	\$ 2,039	\$ 2,293	\$ 5,777	\$ 6,502	\$ 10,451	\$ 9,272	\$ 8,163	\$ 6,265
NEM Avoided Capacity	\$ 3,328	\$ 3,518	\$ 2,927	\$ 2,889	\$ 2,952	\$ 433	\$ 415	\$ 422
NEM Meter Costs	\$ 8,776	\$ 10,239	\$ 10,316	\$ 10,399	\$ 10,812	\$ 10,671	\$ 10,812	\$ 10,817
General and Administrative Expenses	\$ 21,919	\$ 23,294	\$ 22,491	\$ 34,616	\$ 33,985	\$ 24,135	\$ 47,910	\$ 19,952
Interest on under-collection due to cap	\$ 16	\$ 13	\$ 13	\$ 17	\$ 39	\$ 36	\$ 49	\$ 36
Total Incremental Costs	\$ 206,976	\$ 226,960	\$ 225,854	\$ 237,913	\$ 309,294	\$ 307,663	\$ 334,073	\$ 304,902
Amounts Billed to Retail Customers	\$ 230,103	\$ 230,230	\$ 230,588	\$ 227,552	\$ 257,491	\$ 285,630	\$ 285,953	\$ 286,165
Current Month (Over)/Under Recovery	\$ (23,127)	\$ (3,270)	\$ (4,734)	\$ 10,361	\$ 51,803	\$ 22,033	\$ 48,120	\$ 18,737
Cumulative (Over)/Under Recovery- Prior Month	\$ 45,020	\$ 22,700	\$ 19,430	\$ 14,696	\$ 25,057	\$ 76,860	\$ 98,893	\$ 147,013
Company Accounting Adjustments	\$ 807 (B)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under Recovery	\$ 22,700	\$ 19,430	\$ 14,696	\$ 25,057	\$ 76,860	\$ 98,893	\$ 147,013	\$ 165,750

	Actual				Estimated			
	November 2020	December 2020	January 2021	February 2021	March 2021	April 2021	May 2021	June 2021
Purchased Power Agreements	\$ (4,852)	\$ 2,181	\$ 822	\$ (258)	\$ 1,708	\$ 3,791	\$ 4,421	\$ 4,036
NEM* Incentive	\$ 147,767	\$ 158,892	\$ 158,167	\$ 193,359	\$ 166,793	\$ 178,758	\$ 181,127	\$ 183,411
Solar Rebate Program	\$ 50,022	\$ 50,089	\$ 50,089	\$ 50,247	\$ 50,290	\$ 51,379	\$ 52,191	\$ 52,191
Carrying Costs on Deferred Amounts	\$ 39,207	\$ 39,983	\$ 39,751	\$ 39,562	\$ 39,393	\$ 39,790	\$ 40,294	\$ 40,404
Shared Solar Program	\$ 2,045	\$ 3,466	\$ 1,031	\$ 288	\$ 776	\$ 4,913	\$ 5,730	\$ 5,231
NEM Avoided Capacity	\$ 368	\$ 377	\$ 357	\$ 470	\$ 405	\$ 487	\$ 493	\$ 498
NEM Meter Costs	\$ 9,855	\$ 10,759	\$ 10,919	\$ 11,424	\$ 10,161	\$ 11,876	\$ 11,993	\$ 11,993
General and Administrative Expenses	\$ 17,013	\$ 15,860	\$ 16,597	\$ 23,613	\$ 19,872	\$ 35,902	\$ 35,902	\$ 35,902
Interest on under-collection due to cap	\$ 21	\$ 21	\$ 24	\$ 31	\$ 27	\$ 17	\$ 31	\$ 44
Total Incremental Costs	\$ 261,446	\$ 281,628	\$ 277,757	\$ 318,736	\$ 289,425	\$ 326,913	\$ 332,182	\$ 333,710
Amounts Billed to Retail Customers	\$ 273,408	\$ 298,205	\$ 272,821	\$ 287,286	\$ 298,257	\$ 293,739	\$ 294,242	\$ 295,055
Current Month (Over)/Under Recovery	\$ (11,962)	\$ (16,577)	\$ 4,936	\$ 31,450	\$ (8,832)	\$ 33,174	\$ 37,940	\$ 38,655
Cumulative (Over)/Under Recovery- Prior Month	\$ 165,750	\$ 153,788	\$ 137,211	\$ 142,147	\$ 173,597	\$ 164,765	\$ 197,939	\$ 235,879
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under Recovery	\$ 153,788	\$ 137,211	\$ 142,147	\$ 173,597	\$ 164,765	\$ 197,939	\$ 235,879	\$ 274,534

\* Net Energy Metering

Office of Regulatory Staff  
Details of the Computation of the (Over)/Under-Recovery of Distributed Energy Resource Program Avoided Costs  
Duke Energy Progress, LLC  
March 2020 - June 2021  
Docket No. 2021-1-E

	Actual							
	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020	October 2020
Purchase Power Agreements	\$ 38,507	\$ 42,314	\$ 68,382	\$ 205,003	\$ 94,501	\$ 164,892	\$ 94,673	\$ 79,786
Shared Solar Program	\$ 5,581	\$ 6,765	\$ 11,416	\$ 8,395	\$ 33,002	\$ (13,245)	\$ 5,969	\$ 6,638
Total Avoided Costs	\$ 44,088	\$ 49,079	\$ 79,798	\$ 213,398	\$ 127,503	\$ 151,647	\$ 100,642	\$ 86,424
S.C. Retail kWh Sales	475,339,510	428,996,176	394,682,108	479,011,331	551,334,960	649,342,576	508,527,077	454,579,019
Total System kWh Sales Excluding Off-System Sales	4,551,154,460	3,984,064,703	3,979,317,925	4,848,716,343	6,006,072,697	6,242,419,745	5,338,880,459	4,343,607,027
S.C. Allocation Factor	10.44%	10.77%	9.92%	9.88%	9.18%	10.40%	9.52%	10.47%
S.C. Share of Avoided Costs	\$ 4,605	\$ 5,285	\$ 7,915	\$ 21,082	\$ 11,704	\$ 15,774	\$ 9,586	\$ 9,045
Amount Billed to Retail Customers	\$ 5,369	\$ 4,240	\$ 4,054	\$ 5,178	\$ 11,535	\$ 18,268	\$ 17,391	\$ 15,232
Current Month (Over)/Under-Recovery Amount	\$ (764)	\$ 1,045	\$ 3,861	\$ 15,904	\$ 169	\$ (2,494)	\$ (7,805)	\$ (6,187)
Cumulative (Over)/Under-Recovery - Prior Month	\$ 12,641	\$ 11,877	\$ 12,922	\$ 16,783	\$ 32,687	\$ 32,856	\$ 30,362	\$ 22,557
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery	\$ 11,877	\$ 12,922	\$ 16,783	\$ 32,687	\$ 32,856	\$ 30,362	\$ 22,557	\$ 16,370

  

	Actual				Estimated			
	November 2020	December 2020	January 2021	February 2021	March 2021	April 2021	May 2021	June 2021
Purchase Power Agreements	\$ 107,074	\$ 58,784	\$ 57,035	\$ 55,118	\$ 53,039	\$ 118,340	\$ 153,826	\$ 122,824
Shared Solar Program	\$ 7,563	\$ 3,801	\$ 4,342	\$ 4,763	\$ 4,840	\$ 9,434	\$ 10,274	\$ 9,792
Total Avoided Costs	\$ 114,637	\$ 62,585	\$ 61,377	\$ 59,881	\$ 57,879	\$ 127,774	\$ 164,100	\$ 132,616
S.C. Retail kWh Sales	489,073,119	465,537,555	544,883,614	543,390,922	495,854,642	495,064,662	475,407,063	530,057,299
Total System kWh Sales Excluding Off-System Sales	4,431,179,871	4,960,795,339	5,567,430,188	5,405,413,208	4,799,386,806	4,260,831,791	4,348,895,916	5,093,027,810
S.C. Allocation Factor	11.04%	9.38%	9.79%	10.05%	10.33%	11.62%	10.93%	10.41%
S.C. Share of Avoided Costs	\$ 12,653	\$ 5,873	\$ 6,007	\$ 6,020	\$ 5,980	\$ 14,846	\$ 17,939	\$ 13,802
Amount Billed to Retail Customers	\$ 14,993	\$ 16,949	\$ 16,827	\$ 17,462	\$ 17,318	\$ 18,228	\$ 16,979	\$ 17,538
Current Month (Over)/Under-Recovery Amount	\$ (2,340)	\$ (11,076)	\$ (10,820)	\$ (11,442)	\$ (11,338)	\$ (3,382)	\$ 960	\$ (3,736)
Cumulative (Over)/Under-Recovery - Prior Month	\$ 16,370	\$ 14,030	\$ 2,954	\$ (7,866)	\$ (19,308)	\$ (30,646)	\$ (34,028)	\$ (33,068)
Company Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ORS Accounting Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative (Over)/Under-Recovery	\$ 14,030	\$ 2,954	\$ (7,866)	\$ (19,308)	\$ (30,646)	\$ (34,028)	\$ (33,068)	\$ (36,804)